

**House File 2399 - Introduced**

HOUSE FILE 2399

BY COMMITTEE ON PUBLIC SAFETY

(SUCCESSOR TO HSB 603)

**A BILL FOR**

1 An Act relating to scrap metal transactions, prohibiting  
2 certain sales, and providing penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 714.27, Code Supplement 2011, is amended  
2 by striking the section and inserting in lieu thereof the  
3 following:

4 **714.27 Scrap metal transactions and reporting — penalties.**

5 1. For purposes of this section, and unless the context  
6 otherwise requires, the following definitions shall apply:

7 *a. "Scrap metal"* means any metal suitable for reprocessing.  
8 *"Scrap metal"* does not include a motor vehicle, but does include  
9 a catalytic converter detached from a motor vehicle.

10 *b. "Scrap metal dealer"* means any person operating a  
11 business at a fixed or mobile location that is engaged in one  
12 of the following activities:

13 (1) Buying, selling, procuring, collecting, gathering,  
14 soliciting, or dealing in scrap metal.

15 (2) Operating, managing, or maintaining a scrap metal yard.

16 *c. "Scrap metal yard"* means any yard, plot, space,  
17 enclosure, building, mobile facility, or other place where  
18 scrap metal is collected, gathered together, stored, or kept  
19 for shipment, sale, or transfer.

20 2. *a.* A person shall not sell scrap metal to a scrap metal  
21 dealer in this state unless the person provides to the scrap  
22 metal dealer, at or before the time of sale, the person's name,  
23 address, and place of business, if any, and presents to the  
24 scrap metal dealer a valid driver's license or nonoperator's  
25 identification card, military identification card, passport, or  
26 other government-issued photo identification.

27 *b.* A scrap metal dealer shall not make an initial purchase  
28 of scrap metal from a person without demanding and receiving  
29 the information required by this subsection. However, after an  
30 initial transaction, a scrap metal dealer may only require the  
31 person's name and place of business for subsequent purchases,  
32 provided the scrap metal dealer retains all information  
33 received during the initial transaction.

34 3. A scrap metal dealer shall keep a confidential  
35 register or log of each transaction, including a record

1 of the information required by subsection 2. All records  
2 and information kept pursuant to this subsection shall be  
3 retained for at least two years, and shall be provided to a  
4 law enforcement agency upon request during normal business  
5 hours when the law enforcement agency has reasonable grounds to  
6 request such information as part of a criminal investigation.  
7 A law enforcement agency shall preserve the confidentiality of  
8 the information provided under this subsection and shall not  
9 disclose it to a third party, except as may be necessary in the  
10 prosecution of a criminal violation.

11 4. The following scrap metal transactions are exempt from  
12 the requirements of this section:

13 a. Transactions in which the total sale price is fifty  
14 dollars or less, except transactions for the sale of catalytic  
15 converters.

16 b. Transactions for the sale of catalytic converters in  
17 which the total sale price is seventy-five dollars or less.

18 c. Transactions in which a scrap metal dealer is selling  
19 scrap metal.

20 d. Transactions in which the person selling the scrap  
21 metal is known to the scrap metal dealer purchasing the scrap  
22 metal to be the officer, employee, or agent of an established  
23 commercial or industrial business, operating from a fixed  
24 location, that may reasonably be expected to produce scrap  
25 metal during the operation of the business.

26 5. A person who violates this section is guilty of a simple  
27 misdemeanor punishable as a scheduled violation pursuant to  
28 section 805.8C, subsection 9. However, a person who violates  
29 this section three or more times within a two-year period is  
30 guilty of a serious misdemeanor.

31 Sec. 2. Section 805.8C, Code 2011, is amended by adding the  
32 following new subsection:

33 NEW SUBSECTION. 9. For first offense violations of section  
34 714.27, the scheduled fine is two hundred fifty dollars.

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EXPLANATION

1 This bill relates to scrap metal sales.

2 The bill prohibits persons from selling scrap metal to a  
3 scrap metal dealer without providing identification and certain  
4 information such as a permanent address during an initial sale.  
5 Less information is required for subsequent transactions. The  
6 bill specifically provides that scrap metal does not include a  
7 motor vehicle, but does include a catalytic converter detached  
8 from a motor vehicle.

9 The bill exempts certain transactions of small dollar  
10 amounts and transactions in which the person selling the scrap  
11 metal is a scrap metal dealer or in which the person selling is  
12 known to the scrap metal dealer as an established business that  
13 generates scrap metal.

14 The bill requires scrap metal dealers to maintain a  
15 confidential log of each transaction and keep records of  
16 transactions for at least two years and to provide that  
17 information to law enforcement agencies upon request and upon  
18 reasonable grounds.

19 The bill imposes criminal penalties for violations. A  
20 person who violates the Code chapter is guilty of a simple  
21 misdemeanor. A simple misdemeanor is punishable by confinement  
22 for no more than 30 days or, ordinarily, a fine of at least  
23 \$65 but not more than \$625 or by both. However, the bill  
24 specifies a first offense scheduled violation fine of \$250.  
25 In the event a person violates the Code chapter three or more  
26 times within a two-year period, that person is guilty of a  
27 serious misdemeanor. A serious misdemeanor is punishable by  
28 confinement for no more than one year and a fine of at least  
29 \$315 but not more than \$1,875.